

**REMARKS**

Claims 1-13 are pending in this application. By this Amendment, claims 1-13 and Fig. 3 are amended. Claims 1-13 are amended to correct minor informalities found therein. Also, reference number 24 is added to Fig. 3 to identify the intermediate housing in agreement with the specification at page 5, lines 1-3. No new matter has been added.

Claim 13 is objected to for lack of proper basis in the claims. Specifically, the phrase "the data" is alleged to lack proper basis. The amendment to claim 13 changes the phrase "the data" to "a data." Accordingly, withdrawal of the objection is respectfully requested.

Claims 1-12 are rejected under 35 U.S.C. §102(b) over McCormick, U.S. Patent No. 3,136,283. The rejection is respectfully traversed.

McCormick fails to disclose "an intermediate piece located between the bell-housing and the Z-drive, wherein the Z-drive is laterally pivotable relative to the watercraft by the intermediate piece," as recited in claim 1.

In McCormick, the propulsion unit 1 includes housing 10 that is directly mounted to housing member 18, which is mounted to transom 2 (Figs. 1-3). The housing 10 of the propulsion or drive unit 1 is pivotally supported from an intermediate gimbal ring member 27 on a generally transverse horizontal axis indicated at 28 to provide for tilt movements of the drive unit in a generally vertical plane (col. 2, lines 59-63). The gimbal ring member 27 is, in turn, pivotally supported from housing member 18 on a generally vertical axis provided by the vertically spaced and aligned shaft portions 29, 30 to provide for steering movement of the propulsion unit in a generally horizontal line (col. 2, lines 63-68).

However, the gimbal ring member 27 cannot not correspond to Applicant's intermediate piece as recited in claim 1 because, as shown in Fig. 2 of McCormick, the gimbal ring member 27 is not located between the bell housing 18 and the Z-drive (i.e.,

housing 10). Also, the Z-drive of McCormick is not laterally pivotable relative to the watercraft by the intermediate piece (i.e., gimbal ring member 27).

The inversion of the drive unit 1 as described in McCormick is to rotate the drive unit 1 in a generally transverse vertical plane to an inverted position for beaching or repair (col. 3, lines 13-16). However, the described inversion of the drive unit 1 is effected by counterclockwise rotation of housing member 18, as viewed in Fig. 5, within transom opening 23 by a means not forming a part of McCormick's invention (col. 3, lines 16-19). As shown in Fig. 5, in order to rotate the drive unit 1 to an inverted position for beaching or repair, steering arm 31 is also rotated on the opposite side of shaft 16 and also assumes an inverted position (col. 3, lines 62-66). Accordingly, there is no intermediate piece located between the bell-housing and the Z-drive of McCormick, wherein the Z-drive is laterally pivotable relative to the watercraft by the intermediate piece.

Further, McCormick uses the telescopic mechanism (i.e., the telescopingly related tubular members 38, 39) in order to rotate lever arm 31 into an inverted position (Fig. 5; col. 3, lines 24-30). Accordingly, the complete steering mechanism including the trim angle of propeller 4 of McCormick is affected by the inverted position of drive unit 1. This is because the housing 10 (i.e., propulsion unit) is connected with the bell housing 18 and together, with its cylinders, vary the trim angle of McCormick's propulsion unit over its swivel range, which effects the propeller 4 trim angle (Figs. 2-5).

In other words, McCormick's inverted position requires the steering cable 41 to follow the rotation of the propulsion unit (i.e., housing 10 and bell housing 18) when the propulsion unit is moved in an upside down position for beaching or repairing the drive or propeller 4. Thus, McCormick's propulsion unit varies the trim angle of propeller 4 when the propulsion unit is moved into the inverted position. As a result, the propulsion unit and the

propeller 4 are twisted around a vertical axis as seen from the watercraft's perspective, which alters the trim angle.

Applicant's claimed Z-drive, on the other hand, includes an intermediate piece that is located between the bell housing and Z-drive and moves the Z-drive laterally pivotable relative to the watercraft. One of the many advantages of Applicant's Z-drive is there is no effect on the steering quality of the watercraft regardless of the Z-drive rotation position angle due to the intermediate piece being located between the bell housing and the Z-drive. In other words, the steering mechanism is not affected during rotation of the Z-drive. Further, the trim cylinder stays unaffected during the rotation of the Z-drive due to the intermediate piece being located between the Z-drive and the bell housing. Thus, there is no change in the trim angle of the propeller when rotating the Z-drive clockwise or counterclockwise. (see Figs. 1-4). Also, Applicant's Z-drive allows the propeller to be positioned in various sub and partially submerged positions, which allows the propeller to work as a full submerged propeller for best acceleration or in a semi or partially submerged position for top speed and into a jet mode position for safeguarding the propeller blades from grounding or floating part collisions, as well as to protect humans and animals from propeller strikes.

McCormick's Z-drive mechanism cannot perform these advantages because McCormick does not disclose an intermediate piece located between the bell housing and the Z-drive.

Because McCormick fails to disclose "an intermediate piece located between the bell-housing and the Z-drive, wherein the Z-drive is laterally pivotable relative to the watercraft by the intermediate piece," claim 1 is patentable over McCormick. Further, Applicant respectfully submits that claims 2-12 are patentable for at least the reasons that claim 1 is patentable as well as for the additional features claims 2-12 recite therein.

The Office Action rejects claim 13 under 35 U.S.C. §103(a) over McCormick as applied to claim 1 and further in view of DE 34 34 211 issued to Volvo Penta AB, (Volvo Penta). The rejection is respectfully traversed.

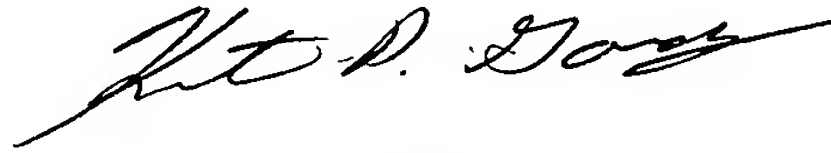
Volvo Penta fails to overcome the deficiencies of McCormick as applied to claim 1 for at least the same reasons as discussed above.

Accordingly, neither the applied references nor the alleged combination thereof disclose or suggest all of the features recited in claim 1, so the alleged combination cannot suggest claim 13, which depends from claim 1, for that reason and for the additional features recited. It is respectfully requested that the rejection be withdrawn.

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance of claims 1-13 are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number set forth below.

Respectfully submitted,



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JAO:KPG/brp

Attachment:  
Petition for Extension of Time  
Replacement Sheet

Date: January 23, 2006

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<p><b>DEPOSIT ACCOUNT USE AUTHORIZATION</b> Please grant any extension necessary for entry; Charge any fee due to our Deposit Account No. 15-0461</p>
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**Amendments to the Drawings:**

The attached replacement drawing sheet makes changes to Fig. 3 and replaces the original sheet with Fig. 3.

Attachment: Replacement Sheet (1)